

Message to the Conference on  
Mongolia and the United Nations Convention Against Corruption  
From U.S. Ambassador Pamela J. Slutz  
Ulaanbaatar, May 3, 2005

On behalf of the United States Government, I commend the leadership of the State Great Hural and the Government of Mongolia for taking the initiative to sponsor this conference and I welcome the American Bar Association's Asia Law Initiative's involvement in the organization of the agenda and speakers.

The conference is being held at an opportune time. I understand that the State Great Hural is currently discussing the Cabinet's proposal to sign and ratify the UN Convention. The presentations by internationally recognized experts are tailored to provide pertinent information to law makers on what is involved and how to proceed to sign and ratify the Convention.

The United States, one of the original signatories of the Convention, regards the Convention to be a major advance in the international fight against corruption. The United States worked hard to bring the Convention to fruition and was an active participant during the entire two-year negotiation process. During those negotiations, the United States engaged with participating governments to produce a convention that can have truly global acceptance and application.

The Convention contains a wide range of provisions that will strengthen international efforts to fight corruption, both at home and across borders. It is the most comprehensive of all existing international anticorruption agreements, and complements ongoing and existing international initiatives in the Council of Europe, Asia Pacific Economic Cooperation (APEC), G-8, Organization for Economic Cooperation and Development (OECD), Organization of American States (OAS) and other regional and multilateral forums.

From our perspective, the Convention is designed to provide participating governments with a blueprint of “best practices” gleaned from a variety of experiences that are to be incorporated into their own domestic laws and practices. In particular, it requires governments to criminalize the bribing of their own and foreign public officials and other corruption-related crimes as embezzlement and money laundering. It requires governments to take a number of measures to prevent corruption, including those that promote integrity among their public officials and increase the participation of civil society in the fight against corruption. In particular, it requires governments to define and take measures to prevent and punish “conflict of interest” – defined as the abuse of one’s political or government office or position with the intent to benefit oneself, one’s family, or one’s friends, regardless of whether or not money/bribery is involved. It is my understanding that Mongolian law currently does not address or define “conflict of interest.” Ensuring that ethics legislation focuses on preventing and punishing “conflict of interest” will go a long way toward combating political and administrative corruption.

The Convention also provides a practical channel for governments to work together to extradite persons and exchange evidence regarding corruption offenses, and recover assets illicitly acquired by corrupt public officials. And it creates a vehicle for governments to review the implementation of the Convention and to share expertise and provide technical assistance relating to their anticorruption efforts.

The United States Government has contributed and will continue to assist those governments, such as Mongolia, which demonstrate their commitment to taking serious and concrete measures to combat corruption. Ratification of the UN Convention Against Corruption is an important indication of serious intention in that regard.

But there is another important reason for signing and ratifying the UN Convention Against Corruption. Implementing the provisions of the Convention will help to reduce poverty and achieve sustainable growth in Mongolia. Poverty Reduction is Mongolia's stated highest priority and, with assistance from the UN Development Program (UNDP) and other international programs and international organizations, it has developed a set of Millennium Goals to achieve poverty reduction. One of the major obstacles to alleviating poverty and achieving sustainable growth in Mongolia -- identified by international donors and Mongolians alike -- is the corrosive effect of corruption. There are ample studies that demonstrate a linkage between poverty and corruption. Former Secretary of State Colin Powell, in an article in the January/February 2005 edition of *Foreign Policy* magazine, argues that the best way to lift millions of people out of poverty is to challenge the leaderships of developing countries to take their nations'

futures into their own hands.” The endemic corruption and bad government that help sustain poverty can, if reversed, help sustain growth and development and will benefit the poor.

Signing, ratifying and implementing the Convention will help to change entrenched corrupt behavior and eliminate “unacceptable norms.” One thing the global nature of the Convention demonstrates is that there is no “cultural” defense for corruption. One of the most common arguments against implementing effective anti-corruption measures, voiced by some Mongolian politicians, is that because of Mongolia’s small population and intertwined family connections, it is impossible to root out corruption. Such arguments are not defensible. Other equally small, socially intertwined societies – such as Cape Verde, another Millennium Challenge Account country, with a population of only 415,000 -- have succeeded.

The Mongolian public and civil society have become more outspoken in their demands for corrective action. These demands are not just “exaggerations” generated by the media or by disgruntled politicians. Surveys conducted by credible international organizations over the past five years and anecdotal evidence indicates that corruption is not only perceived to be – but is -- a growing problem in Mongolia. In 2004, for the first time since 1999, Mongolia was included in the Corruption Perceptions Index conducted by the international NGO, Transparency International. This Index measures public perception of corruption. The survey indicated that corruption is perceived by Mongolian citizens as a growing and widespread problem: in 2004, Mongolia ranked 85 of 145 countries – with an index of 3.0 (out of 10) – putting it near or in the “rampant” category.

This is significant because the Millennium Challenge Corporation takes corruption into account when considering whether or not a country is meeting the test of “ruling justly.” Hence, Mongolia’s continued eligibility for Millennium Challenge Account funding will depend, in part, on how seriously the government and parliament of Mongolia take their commitment to implement strong action against corruption and thereby address the concerns expressed by their own citizens.

To its credit, the current political leadership of Mongolia recognizes that corruption, insufficient transparency, and poor governance are problems and has pledged to take action. The new Government and Parliament have prioritized anti-corruption in their 2004-2008 Action Plan. In particular, Mongolia has committed to sign and ratify the UN Convention Against Corruption this year as a first, concrete step. Signing is the easy part. The real commitment will come with ratification of the Convention and your efforts to translate the words of the Convention into effective action. Ratification and implementation will require significant political will, courage, leadership and dedication to public service from you – members of parliament and of government – to amend and pass the necessary domestic laws that will enable Mongolia to comply with the international standards and targets set forth in the Convention. Positive action will contribute to the prosperity of the Mongolian people and to the security of the international community of which Mongolia is an important member.